

Appendix F. Workforce Plan

AGENCY OVERVIEW

The Texas Racing Commission regulates all aspects of pari-mutuel horse and greyhound racing through licensing, on-site monitoring, and enforcement. The Commission is required by statute and rule to:

- License racetracks that offer racing and the people who work at the racetracks or own race animals.
- Allocate race dates and supervise the conduct of all races, monitor the health and safety of the race animals, and conduct drug tests to ensure the animals race without prohibited substances.
- Oversee all pari-mutuel wagering activity, approve simulcasts, test the totalisator equipment, and ensure the proper allocation and distribution of revenue generated by pari-mutuel wagering.
- Administer the Texas Bred Incentive Program, which provides economic incentives to support a healthy and vigorous breeding industry in the state.

Pari-mutuel racing was originally authorized by the Legislature in 1986 and endorsed by statewide referendum in 1987. Currently, the agency is authorized to employ 76.6 FTE's in FY2008 and 76.8 FTE's in FY2009.

The agency is composed of seven departments: five departments are directly responsible for the activities described above; and two departments provide administrative and information services support.

The agency is funded through revenue derived from the pari-mutuel racing industry and receives no general revenue funds. Excluding the Texas-Bred Incentive Program pass-through funds, approximately 80% of the agency's operating budget is used for salaries.

AGENCY MISSION

The Texas Racing Commission will enforce the Texas Racing Act and its rules to ensure the safety, integrity, and fairness of Texas pari-mutuel racing.

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STRATEGIC GOALS AND OBJECTIVES

Goal A. Enforce Racing Regulation

- Objective 1: Regulate Pari-Mutuel Racetracks Effectively
 - Strategy 1: Provide Regulatory and Enforcement Services to Racetrack Owners
 - Objective 2: Increase the number of Texas Bred Race Animals Competing
 - Strategy 1: Allocate Texas Bred Funds to Breed Registries
 - Objective 3: Reduce the Rate of Rulings per Occupational Licensee
 - Strategy 1: Supervise the Conduct of Racing through Enforcement and Monitoring
 - Strategy 2: Monitor Occupational Licensees Activities.
 - Objective 4: Reduce the Percentage of Race Animals Injury or Dismissed
 - Strategy 1: Inspect and Provide Emergency Care.
 - Strategy 2: Administer Drug Tests
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Goal B. Regulate Participation

- Objective 1: Maintain the Efficiency of the Occupational Licensing Process
 - Strategy 1: Administer the Occupational Licensing Programs through Enforcement
 - Strategy 2: TexasOnline
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Goal C. Regulate Pari-mutuel Wagering

- Objective 1: Increase Pass Rate for Initial Tote Test and Compliance Audits
 - Strategy 1: Regulate Pari-mutuel Wagering to Maintain an Honest Racing Industry
 - Strategy 2: Conduct Wagering Compliance Inspections
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Goal D. Indirect Administration

- Objective 1: Indirect Administration
 - Strategy 1: Central Administration and Other Support Services
 - Strategy 2: Information Resources
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ANTICIPATED CHANGES IN STRATEGIES

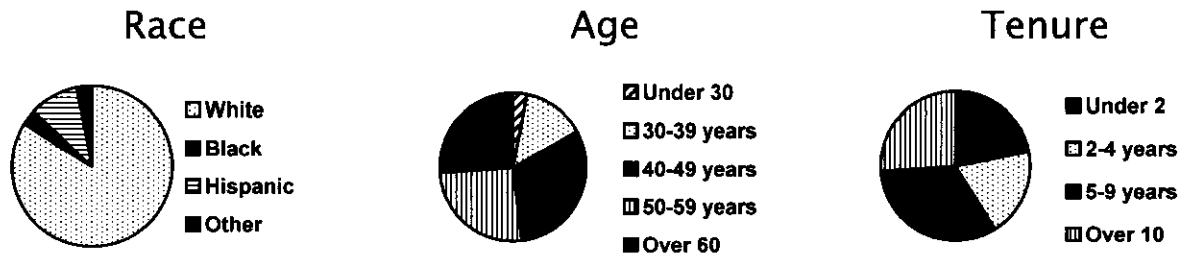
The agency may require changes to its goals or strategies over the next five years in order to mirror any changes to the Texas Racing Act that affect the Commission's regulatory responsibilities.

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CURRENT WORKFORCE PROFILE (SUPPLY ANALYSIS)

WORKFORCE DEMOGRAPHICS (5/31/2008)

The Commission's workforce is 54% male, 46% female. The charts below further breakdown the Commission's workforce:



Compared to the statewide civilian figures supplied by the Texas Workforce Commission, Civil Rights Division, the Commission's workforce breaks down as follows:

		Administration	Professional	Service & Maintenance	Administrative Support
White	Agency	100.00%	94.10%	86.80%	55.00%
	State	75.20%	71.30%	41.50%	60.60%
African American	Agency	0.00%	0.00%	2.60%	10.00%
	State	6.60%	8.30%	13.80%	11.20%
Hispanic	Agency	0.00%	5.90%	7.90%	30.00%
	State	14.20%	13.40%	40.70%	24.10%
Female	Agency	50.00%	11.70%	26.30%	66.70%
	State	37.30%	53.20%	39.00%	64.70%
Male	Agency	50.00%	88.30%	73.70%	33.30%
	State	62.70%	46.80%	61.00%	35.30%

Source: The data in this chart was extrapolated from the Bureau of Labor Statistics, Geographic Profile of Employment and Unemployment, 2004, for the state of Texas.

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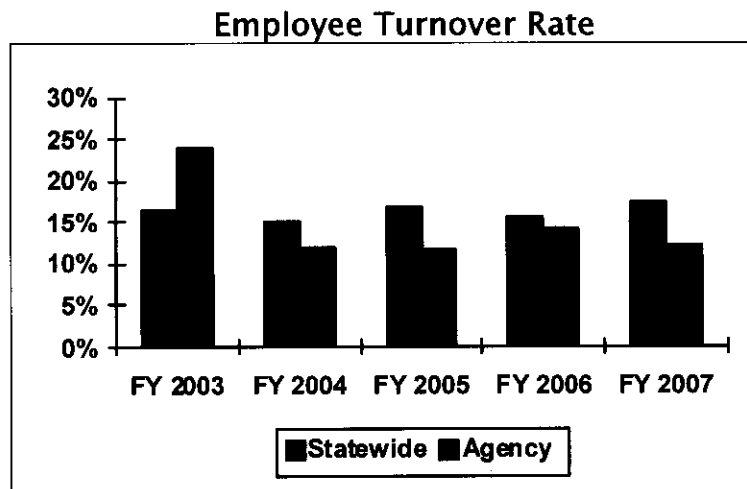
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RETIREMENT ELIGIBILITY

According to the information from the state's USPS payroll system using age and years of state service, 35 of the agency's current employees or 46.7 percent of the authorized FTEs will be eligible to retire between 2008 and 2013. During FY2008, the agency currently employs five 'return-to-work' retirees. Almost half of the agency occupies positions that require specialized skills or professional training that cannot be supplied by the agency through on-the-job training.

EMPLOYEE TURNOVER

Turnover is an important issue in any organization and the Commission is no exception. In 2007, the Commission had a turnover rate of 12.3% down from 14.3% in 2006. The biggest workforce challenge facing the Commission in the next five years is the retention of qualified and experienced staff. The following graph compares the average of the Commission turnover to the state as a whole.



CRITICAL WORKFORCE SKILLS

In addition to general administrative and clerical skills, the Commission's workforce must have the following skills to accomplish its mission:

- Monitoring/reviewing live races for interference/misconduct
- Inspecting race animals for fitness
- Performing audits on pari-mutuel wagering activity
- Conducting racing-related investigations
- Developing and maintaining a specialized database and agency-wide computer network
- Interpreting statutes/drafting rules
- Conflict resolution skills

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FUTURE WORKFORCE PROFILE (DEMAND ANALYSIS)

CRITICAL FUNCTIONS

Assuming no change in statutory responsibilities, the Commission expects its current functions to continue in the future:

- Licensing racetracks and the occupational licensees who own race animals or work at the racetracks.
- Monitoring activities by racetrack personnel and occupational licensees for compliance with regulatory requirements.
- Supervising the conduct of the races.
- Monitoring the health and safety of the race animals and collecting specimens for drug tests.
- Overseeing all pari-mutuel wagering activity and testing totalisator equipment.
- Investigating and resolving complaints about licensees.
- Auditing the operation of racetracks and official breed registries' incentive programs.

EXPECTED WORKFORCE CHANGES

The Commission has three workforce issues under review and action that fall into the categories of: (1) contract personnel for additional IT security and for controls to ensure the integrity of wagering data; and (2) reduction of liability for comp-time, FLSA-overtime and vacation time for staff that supervise live racing.

IT Security and Improved Controls for Integrity of Wagering Data

In May 2006, the State Auditor's Office (SAO) published a report that recommended changes to a number of agency functions including improving controls in the Information Technology division. The agency has contracted with a specialist, through an approved Department of Information Resources contract, to resolve the security and network issues identified in the audit. The audit also recommended that the agency's audit programs used to review the totalisator systems be expanded to offer additional system security testing to ensure the integrity of the wagering data.

Reduction of Cumulative Liability for Supervision of Racing Staff

Agency management is in the process of an internal review of the agency's \$500,000 cumulative liability of comp-time, FLSA-overtime and vacation time. The Commission may need an additional FTE in Strategy A.3.1. - Supervise & Conduct Live Races to address this liability. Because of statutory requirements that set specific levels of staff at the racetracks during live race days and increased workloads, the agency has not been able to sustain an overall decrease in this liability.

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CHANGE IN NUMBER OF EMPLOYEES REQUIRED TO ACCOMPLISH MISSION

Assuming no significant increase in wagering or live racing activity, the Commission expects no increase in the number of FTE's required to accomplish its mission beyond what has been appropriated. In fact with the closing of Corpus Christi Greyhound the projections for the legislative appropriation request (LAR) will reduce the number of FTEs requested. For each new horse racetrack that begins simulcasting and live racing, the Commission will require up to an additional five FTE's to effectively regulate the wagering and racing activities in accordance with the Texas Racing Act and the Commission's rules. The Commission has approved three new class 2 racetrack licenses that could open in the next biennium. The additional FTE's needed should one of the approved racetracks open for business are requested though contingency riders within the LAR.

FUTURE WORKFORCE SKILLS REQUIRED

In the future, the Commission will need to accomplish more with less in an increasingly tight budgetary environment. As the racing industry matures and changes with technology, the Commission's workforce must be keenly aware of its regulatory role. Therefore, Commission employees will be required to use more of the following skills:

- Creativity and problem solving
- Communication
- Commitment to learning
- Leadership and team-building
- Organizational awareness
- External awareness
- Flexibility
- Integrity and honesty

GAP ANALYSIS

ANTICIPATED SURPLUS/SHORTAGE OF EMPLOYEES OR SKILLS

With over 46% of the Commission workforce eligible for retirement by FY 2013, the Commission projects a shortage in staffing and skill levels needed to meet future requirements. Staffing areas with anticipated shortages of employees that are most likely to be affected by the retirement eligibility include: veterinarians, stewards, and judges. In addition, the Commission continues to have difficulty retaining qualified veterinarians due to significant differences in salaries compared to the private sector.